



**Family and Children's Health Programs Group, Center for Medicaid and State Operations**

November 10, 2003

Ms. Carolyn Ingram  
Director, Medical Assistance Division  
New Mexico Human Services Department  
P.O. Box 2348  
Santa Fe, NM 87504-2348 OR

Dear Ms. Ingram:

The purpose of this letter is to confirm the process for requesting a 3-year extension for New Mexico's Section 1115 Demonstration Project (No. 11-w-0012416). This demonstration project allows New Mexico to implement its title XXI Medicaid expansion to cover children in families through age 18 with income between 186 and 235 percent of the Federal Poverty Level (FPL), including copayment requirements and a crowd-out provision for this population.

The authority under which New Mexico's Section 1115 Demonstration Project operates will expire on December 31, 2004. Without any further action, you must begin a phase-down of the program six months prior to this date, in accordance with the Special Terms and Conditions that apply to this demonstration. However, you may request an extension for this demonstration for a period of up to three additional years, in accordance with section 4757 of the Balanced Budget Act of 1997. An extension request for this demonstration must be submitted to us by December 31, 2003.

The Centers for Medicare and Medicaid Services (CMS) and the Department of Health and Human Services will need to verify the effectiveness of the New Mexico Section 1115 Demonstration program and determine that it has met the objectives identified in the original application and substantially complied with all Special Terms and Conditions. Along with your request for extension, you will need to provide documentation of compliance with your Terms and Conditions.

In support of your request, you are required to address the provision regarding public notice of your extension as published in the Federal Register on September 27, 1994 (see attached enclosure). In addition, other evidence, including any interim findings from evaluations of the State's demonstration program and the documentation that you submit, will be considered in the decision-making process on the extension request.

I look forward to hearing from you regarding your plans for New Mexico's Section 1115 Demonstration Project. If you or your staff have any questions, please call Stacey Bush, the SCHIP New Mexico Project Officer, at 410-786-6102.

Sincerely,

Cheryl Austein Casnoff  
Director, Division of State Children's Health Insurance

Cc: Marissa Quezada, Region VI